

**NATIONAL INDUSTRIAL SECURITY PROGRAM
POLICY ADVISORY COMMITTEE (NISPPAC)**

**MINUTES OF THE MEETING
(Finalized September 5, 2007)**

The NISPPAC held its 28th meeting on Wednesday, May 16, 2007, at 10:00 a.m., at the National Archives Building, 700 Pennsylvania Avenue, N.W., Washington, D.C. Mr. J. William Leonard, Director, Information Security Oversight Office (ISOO) chaired the meeting. The meeting was open to the public.

- 1. Welcome, Introductions and Administrative Matters** – The Chair greeted the membership and attendees. The participation of Ms. Kathy Watson as new Director of the Defense Security Service (DSS) was acknowledged. In addition, the Chair also recognized Mr. John Haberkern, the new Director of the DSS Personal Security Clearance Office, and Mr. Sean Carney, the new Department of the Navy representative to the NISPPAC.
- 2. Old Business** – The Chair requested that Mr. Gregory Pannoni (ISOO) lead a discussion reviewing the nine (9) action items from the November 2, 2006 NISPPAC meeting.

a. Federal Information Security Management Act (FISMA)

” Industry will reinitiate the effort on the Federal Information Security Management Act (FISMA) Industry White Paper. The NISPPAC will pass a copy to Mr. Glen Schlarman (Office of Management and Budget [OMB]).”

According to Mr. Ray Musser, spokesperson for Industry, although FISMA did not result in anticipated impacts, an Industry White Paper is being coordinated and will be submitted through ISOO to be shared with OMB. The action item should be regarded as open.

ACTION: The FISMA Industry White Paper will be continued as an open action item. The paper will be submitted to OMB for the purpose of requesting more explicit implementation guidance vis-à-vis industry. The scope of the paper will be specific regarding the origin of FISMA-related issues, e.g., whether issues are resulting from agency FISMA implementation or being generated as a result of other agency activity such as new directives on the protection of sensitive acquisition-related information. FISMA problems will be defined and framed with as much precision as possible.

b. SIPRNET Access

”The Chair, on behalf of NISPPAC, will explore options with the Defense Information Systems Agency (DISA) regarding the extension of SIPRNET access to industry partners, and report back to the NISPPAC membership.”

ACTION: The Chair will continue to explore options with DISA regarding the extension of SIPRNET access to industry partners.

c. HSPD-12

”The NISPPAC membership will forward general questions and issues regarding implementation of HSPD-12 to the ISOO staff (patrick.viscuso@nara.gov), which in turn will consolidate and forward the latter to OMB. These questions and issues should be submitted by December 15th.”

Mr. Pannoni stated that consequent to the last NISPPAC meeting the Department of State and Department of Energy submitted questions that in turn were forwarded by ISOO to OMB. Nevertheless, OMB did not provide a final response to DOE or DOS. According to Mr. Musser, Industry is concerned with suitability issues, but not primarily with HSPD-12.

ACTION: ISOO Staff will solicit a formal response from OMB (Ms. Carol Bales) on overarching issues and questions regarding HSPD-12 submitted previously by Department of State and Department of Energy. The responses will be forwarded back to the two agencies concerned. It was agreed that from an industry perspective, as a stand-alone issue, HSPD-12 is a closed action item.

d. Clearance Completion Time Statistics

”The Industry NISPPAC membership will designate a representative to meet with the Office of Personnel Management (OPM) and Defense Security Service (DSS) in order to review clearance completion time statistics compiled by industry. This group will, in turn, report by December 15th to the NISPPAC on any additional insights gained.”

Mr. Pannoni reported that the group produced two reports, including end-to-end metric points for clearance processing, both of which are distributed as handouts to the NISPPAC and are in the meeting packets. A joint presentation on the work of the group is being made by DSS and OPM for the present meeting; and is the first item on the agenda.

e. Suitability Resources

“OPM will identify resources, websites, products, etc. to ISOO staff (patrick.viscuso@nara.gov) regarding suitability issues and guidance

appropriate for industry in order that these are posted to the National Industrial Security Program (NISPPAC) section of the ISOO website as a reference for industry.”

Mr. Pannoni stated that OPM provided a suitability primer which was posted to the ISOO NISPPAC website. It is also being distributed in hard copy to the membership and has been included in the meeting packets. At the request of the Chair, Mr. Vince Jarvie (Industry) agreed to review the appropriateness of the primer to industry’s needs. ISOO staff will facilitate any recommended changes with OPM.

ACTION: Mr. Vincent Jarvie (Industry) will complete a review on the appropriateness of a suitability primer which was provided by OPM and is currently posted to the ISOO NISPPAC web-page. ISOO staff will facilitate any recommended changes with OPM.

f. Electronic Attachment of Releases

”OPM and DSS will provide feedback on the electronic attachment of releases by November 10th to the NISPPAC, and on options and alternatives regarding fingerprints, including the use of US General Services Administration (GSA) service centers or other alternative sources, by the end of the calendar year.”

Mr. Pannoni stated that a recent Joint Personnel Adjudication System (JPAS) update addressed the attachment of releases, but that the electronic attachment of fingerprint cards is an ongoing challenge. Moreover, current problems in associating fingerprint cards with Personnel Security Questionnaires (PSQ) cause delays in processing as revealed by the recent effort by the working group examining end-to-end metrics. Ms. Watson reported that the JPAS release in question allows for electronic transmission of release forms, and that the latter system functions well when used properly. Otherwise, manual correction is necessary in those instances where improper attachments are made, which results in delays. Guidance has been provided on the proper use of the system. Ms. Watson stated that the system does not allow for electronic transmission of fingerprints, and requested that Mr. Haberkern provide an update on efforts in this area. Mr. Haberkern stated that electronic attachment of fingerprints is problematic and must be addressed. The solution to this problem will necessitate actions by Industry, OPM, and DSS. There is a need for the articulation and communication of solution requirements among all parties. There is no one entity responsible for the solution. The Chair inquired whether there has been any consideration of using GSA service centers. Mr. Haberkern stated that to his knowledge no consideration has been given to this alternative. The Chair stated that in connection with HSPD-12 GSA is setting up service centers throughout the country in order to electronically transmit fingerprint cards (Note: At the time of the meeting,

GSA had no HSPD-12 centers in operation). Approximately 90% of Federal workers will be located within fifty miles of these centers. The GSA program represents a significant investment and merits consideration even as an interim measure for processing Industry fingerprints. The Chair recommended that DSS initiate discussions to explore the viability of Industry using the centers' services. Mr. Haberkern stated that clearly if there is an existing resource, this alternative should be considered. In response to an inquiry by the Chair, Ms. Watson stated that the issue should be considered a joint DSS and OPM question, but that DSS will take the lead on the action. The DSS and OPM representatives agreed to explore GSA service centers as a potential solution as well as any other existing infrastructures. The Chair inquired whether such alternatives could be explored within thirty days. Ms. Watson stated that a thirty-day suspense was acceptable. Mr. John Czajkowski (OPM) stated that OPM has been in constant dialogue with GSA on this subject and has contacts to address the issue. Mr. Musser stated that regarding the releases that consideration should be given to electronic signature, which is an accepted technology for financial institutions and will negate certain current problems. Ms. Watson stated that the latter technology is under consideration for development of the successor system to JPAS, the Defense Information System for Security (DISS).

ACTION: DSS will provide feedback on the electronic attachment of releases by June 16th to the NISPPAC, and on options and alternatives regarding fingerprints, including the use of GSA service centers or other alternative sources.

g. The Submission of (SF) 328s for Threat Assessments

"The NISPPAC Chair will hold discussions with the Special Security Center (SSC) to determine the impacts on the NISP of Intelligence Community requirements associated with Director of Central Intelligence Directive (DCID) 7/6, especially the submission of Standard Form (SF) 328s for threat assessments associated with classified procurements. The NISPPAC Chair will provide assessments and recommendations to the NISPPAC membership within the next few months."

Mr. Pannoni reported that the Chair held a series of meetings with the SSC, Community Acquisition Risk Center (CARC), and Department of Defense (DOD). The results were captured in an email coordinated with the CARC and DOD, which was sent to the NISPPAC membership and is also included in the meeting packets in hard copy. It was agreed that the CARC would review with FBI, "the information necessary to conduct acquisition risk assessments, particularly the frequency with which this information must be provided by contractors, when a submission has already taken place" and that the CARC "will initiate discussions" with DOE and DOD with the aim of developing a common database repository for FOCI information. It was also

agreed that "in the meantime, DOD is willing to manually share data on selected cases, but states it cannot as a general rule provide FOCI information on every company to any requester." In response to an inquiry by the Chair, there was consensus among the membership that the action item is closed.

h. Navy Base Access

"Specific US Navy base access (I-9) issues should be forwarded directly to Mr. Ralph Wheaton, Head, Industrial and Technical Security Branch, Office of the Chief of Naval Operations (N09N2), Washington Navy Yard, Building 111, Washington, DC 20388-5380, email: ralphwheaton@navy.mil, telephone: (202) 433-8860, fax: (202) 433-8849. Mr. Wheaton will in turn update Ms. Rosalind Baybutt, Deputy Director for Industrial Security (OUSD[I]/ODUSD [CI&S]). Broader issues and questions should be provided to the NISPPAC Chair, which will then be consolidated and provided Federal agencies, as appropriate."

In response to an inquiry by the Chair, Mr. Kent Hamilton (Industry) stated that one complaint was forwarded to Mr. Frank Bennett (who preceded Mr. Carney as Navy representative) regarding base access at Naval Air Weapons Station (NAWS) Point Mugu. Mr. Hamilton stated that the problem still remained and that details will be forwarded to the Navy representative. Mr. Jarvie stated that he would also be providing information on a similar problem regarding NAWS China Lake.

ACTION: Specific US Navy base access (I-9) issues should be forwarded directly to Mr. Sean Carney, Industry and Technical Security Program Manager, Office of the Chief of Naval Operations (NO9N2), Washington Navy Yard, Building 111, Washington, D.C. 20388-5380, email: sean.l.carney@navy.mil, telephone: (202) 433-8860, fax: (202) 433-8849.

i. National Industrial Security Program Operating Manual (NISPPOM) Supplement (DoD 5220.22 M Sup 1).

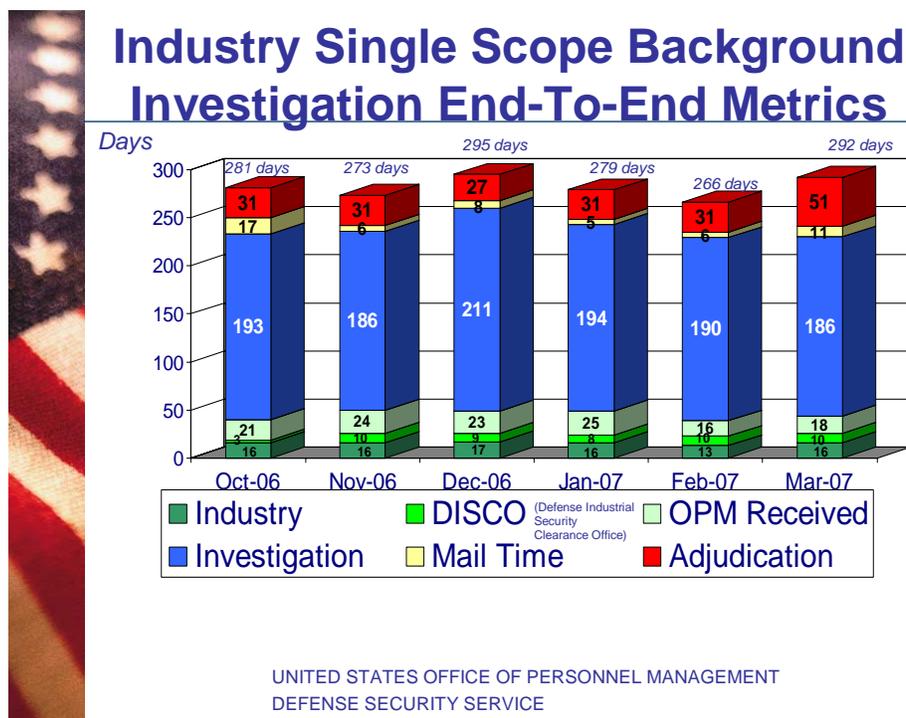
"Ms. Baybutt requested that the NISPPAC government membership provide input on the utility of the NISPPOM Supplement (DoD 5220.22 M Sup 1) to the NISPPAC Chair (patrick.viscuso@nara.gov). She also similarly requested that NISPPAC industry membership provide input on whether the latter document is referenced in government contracts."

Mr. John Cowden (DOE) stated that the NISPPOM Supplement remains a viable document for contractual requirements. Mr. Hamilton stated that the Supplement is cited in contractual documents and will provide an example to Ms. Baybutt. There was consensus that the action item is closed.

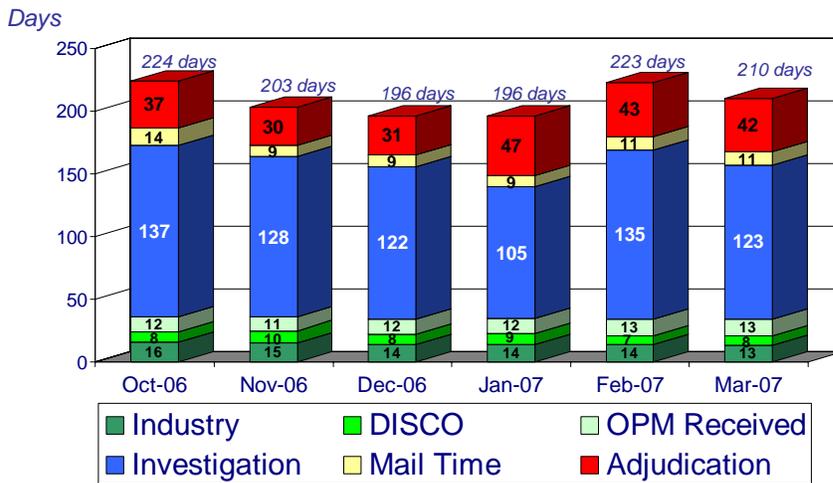
- 3. Personnel Security Clearance Metrics** – The Chair stated that during the previous NISPPAC meeting, OPM and DoD were tasked with developing a comprehensive system of metrics, to include key data points, in order to measure the timeliness of end-to-end clearance processing for Industry. The work of the subsequent Industry, OPM, and DSS group was the subject of a joint presentation by Mr. Haberkern (DSS) and Ms. Deborah Smith (OPM).
- a.** A review of Intelligence Reform and Terrorism Prevention Act (IRTPA) goals include the completion of 80% of personnel security investigations within 90 days and adjudications within 30 days by the end of the year 2006; and 90% of investigations completed within 40 days and adjudications within 20 by the end of the year 2009. An extract from IRTPA relevant to clearance completion goals was provided in the meeting packet.
 - b.** In addition, a review was made of national goals established by OMB and the Executive Agencies in order to meet the IRTPA standards. National goals regarding clearance processing may be divided into three main areas. The first area deals with submission and represents the front-end of the clearance process, during which the Subject is selected for the position. The submitting offices of the agencies are responsible for this portion of the process. The agencies are to project annual investigation workload within 5% of actual submissions. The front-end process from the date that the Subject is initiated until OPM receives acceptable complete case materials should be no more than 14 days. No more than 5% of all submissions should be rejected due to insufficient and/or discrepant information provided by the Subject or agency. The second area dealing with national clearance processing goals concerns investigations and is focused on the completion times referenced above. The final area concerns adjudications by the agencies, which must be completed within 30 calendar days.
 - c.** The methodology for the group's study included retrospective analysis with an examination of cases adjudicated as of March 31, 2007 for the last six months of the fiscal year and backtracked by capturing major event dates: industry time, transmission time, Defense Industrial Security Clearance Office (DISCO) processing time, OPM investigation time, OPM to DISCO transmission time, adjudication time, and eligibility. The case population sampled was approximately 5,000 for which complete data was available.
 - d.** There was consensus that, while total end-to-end process time is the bottom line for Industry, tracking the timeliness of various sub-processes is essential to identification for opportunities for process improvements to promote overall timeliness. Mr. Haberkern stated it was necessary to examine whether there existed any business or quality policy process issues that that would impede the reaching the national goals.
 - e.** The following data fields were identified and agreed upon as needed for continuing performance and process improvement tracking:

1. **INDUSTRY REQUEST**
 - a. FSO initiates Applicant in JPAS
 - b. Applicant initiates e-QIP
 - c. Applicant signs e-QIP
 - d. Applicant (or FSO) releases e-QIP to DISCO
2. **DISCO FRONT END**
 - a. DISCO Receipt Date
 - b. DISCO Reject Date
 - c. DISCO transmits to OPM
3. **OPM INVESTIGATION**
 - a. OPM Received Date
 - b. Investigation Scheduled Date
 - c. Investigation Closed Date
 - d. Report Mail-Out Date
4. **ADJUDICATION**
 - a. Adjudication Assigned
 - b. Associated Paper Date
 - c. Adjudication Begin Date
 - d. Adjudication Close Date
 - e. Adjudication Eligibility Date

f. The following metric data was presented:

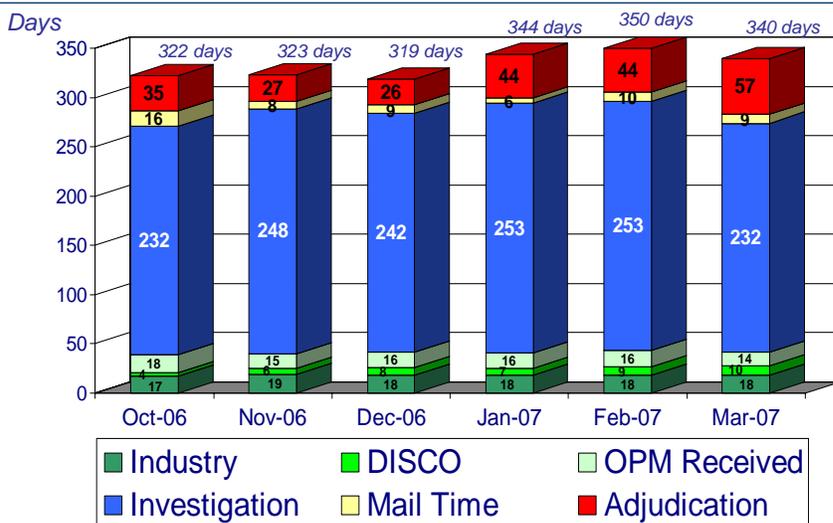


Industry National Agency Check with Law and Credit Coverage End-To-End Metrics



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
DEFENSE SECURITY SERVICE

Industry Single Scope Background Investigation-Periodic Reinvestigation End-To-End Metrics



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
DEFENSE SECURITY SERVICE

- g. Mr. Haberkern noted that DISCO processing normally takes 2 days and that remainder of the time captured in the charts above (under the category “DISCO”)

also includes processing by the FSO.

- h.** The Chair inquired of the membership whether the data presented corresponded with Industry representative experiences. The Industry representatives responded affirmatively. Mr. Scott Conway (Industry) stated that, as a result of the working group's study, for the first time a complete view of the clearance process was presented with end-to-end metrics. In response to questions raised concerning the sample of cases used, Mr. Helmut Hawkins (DSS) stated that there were approximately 50,000 cases covered by the study. These included all case types such as SSBIs (Single Scope Background Investigation), SSBI-PRs (Single Scope Background Investigation-Periodic Reinvestigation), etc. The study consisted of a complete assessment of all cases adjudicated during the period. However, due to missing data in some of the fields, only approximately 41,000 cases provided the full scope of metrics.
- i.** In response to the observations made that cases requiring Sensitive Compartmented Information (SCI) adjudications were not included, Mr. Gerry Schroeder (DOJ) stated that the bottom line is how quickly someone can be cleared and begin their employment. Whether or not included in the statute, additional adjudications should have corresponding goals and these should be reduced. Ms. Baybutt stated that DISCO refers cases requiring SCI adjudications to the appropriate Central Adjudication Facility (CAF). Once the CAF has adjudicated, then DISCO immediately grants the TOP SECRET collateral clearance. The Chair observed that SCI adjudication times are not being tracked and that the latter is an action item from the Security Clearance Oversight Group. Regarding the "OPM Received" category on the charts presented during the briefing (see above), Mr. Hawkins noted that the latter includes the time during which OPM is awaiting the fingerprint cards and releases. Ms. Smith noted that once the application is received in e-QIP, OPM will wait up to thirty days for the fingerprint cards and attachments. Once the latter are received, OPM deems the case acceptable for scheduling or starting. The "Investigation" category begins with received complete acceptable case papers.
- j.** Mr. Musser asked whether any conclusions were reached regarding the investigation times, which appear constant during the six-month period under study. Specifically, whether a sampling was conducted to determine why it was taking such lengthy times to run leads and conduct electronic checks; and the possibility of streamlining the process to bring about improvements. Ms. Smith stated that OPM is meeting the IRTPA goals for those cases received since October 1, 2006, while at the same time reducing the inventory. The investigations provided to DISCO for adjudication went from 1,100 (October) to 2,500 (March). OPM's production is greater than the work being received. Ms. Smith predicted that in the near future OPM will be working new cases almost exclusively. As the average case numbers are reduced, the investigation averages will be improved. At present, the higher numbers reflect work on the old inventory cases. As the inventory is reduced, the impact will be increased work-

- loads for adjudications, and challenges for the continued timeliness of the latter. Ms. Smith stated that these trends will be reflected in future statistics beyond the six-month period under study. The Chair inquired whether OPM has made any projections based on volume and experience to date. Ms. Smith stated that although projections have been made for all clearances, none currently exist for Industry alone. Mr. Hawkins responded that this item will be addressed by the OPM, DSS, and Industry working group.
- k.** Mr. Haberkern stated that while the inventory is being reduced and the CAFs are experiencing increased workloads, there is also a trend that the age of old cases from the backlog submitted for adjudication is increasing. At present, there is no explanation for this trend. Mr. Musser stated that a similar trend was observed approximately three years previously, and was due to leads not being followed up during investigations, particularly for overseas leads as a result of deployments. With regard to continuing the discussion on older cases delayed by overseas leads, the Chair emphasized that while an important topic, in the interest of time, the NISPPAC discussion should focus on the IRTPA goal dealing completion of 80% of personnel security investigations within 90 days, rather than the remaining 20%.
- l.** Ms. Smith stated that one of OPM's goals was imaging complete investigations in order to transmit them electronically to DISCO. If this goal can be accomplished, mail time will be eliminated from processing. Mr. Haberkern stated that this raised the question of acceptable business processes, including the definition of electronic transmission. The Chair stated that if the "OPM Received" and "Mail Time" categories were added for SSBI in March, the total is 29 days and represents nearly 25% of the IRTPA investigations goal, which is thus currently consumed by process. The questions should be asked what should be acceptable times for these parts of the process, (clearly not almost 30 days); what is necessary for this to be accomplished; and when this is going to be accomplished. Mr. Haberkern stated that if the metrics are examined for entities which have a central processing point, significant reductions occur from 14-22 days to one or two days. Mr. Pannoni stated that the challenge lies in the fact that three entities are involved and no direct pipeline exists to OPM. The Chair suggested that the working group should address the "OPM Received" and "Mail Time" categories as a first priority and produce a plan and approach within thirty days that sets forth what should be acceptable times for these parts of the process; what is necessary for this to be accomplished; and when this is going to be accomplished. The recommendation was accepted by the NISPPAC membership.
- m.** In response to inquires by the membership, Mr. John Czajkowski (OPM) stated that with a high level of confidence sometime later this calendar year OPM will work down the old case load and will be at a state of currency with incoming traffic. Ms. Smith stated that the goal for accomplishing the latter is by the end of the present fiscal year. The Chair inquired whether the working group can provide milestone projections, to be associated with achieving the goal of

currency by the end of the fiscal year. The working group accepted the tasking of making such projections and reporting them back to the NISPPAC membership within thirty days.

- n. Mr. Douglas Hudson (Industry) inquired why the periodic reinvestigation metrics revealed greater investigation times than those for initial SSBI. Mr. Czajkowski stated that the discrepancy was a result of prioritization. At present, efforts were being devoted first to addressing problems in initial investigations.
- o. The Chair observed that the development of end-to-end metrics more plainly defines the challenges and makes clear that the goal to assure success for entire process should be an integrated management capability.

ACTION: Representatives of the Industry NISPPAC membership, OPM, and DSS will meet in order to analyze key data points that measure end-to-end clearance processing for industry. The work of the group will focus on data points associated with transmission of applications and cases between DSS and OPM. In addition, the group will produce projections on reducing pending cases to the end of the calendar year. Specific recommendations for process improvements should be reported back to the NISPPAC membership by June 30th. Recommendations should identify current and desired states as well as approaches, plans, and timelines for achieving results.

4. **Suitability and National Security Determinations** – The topic was addressed by a joint presentation made by Messrs. Schroeder and Czajkowski.
 - a. Mr. Schroeder stated that when the IRTPA was legislated, Mr. Clay Johnson (Deputy Director for Management, OMB) convened the Security Clearance Oversight Group, an inter-agency body, which issued a number of memoranda to department deputy heads. In a memorandum issued on December 12, 2005, it was recognized that unique suitability issues can be an impediment to reciprocity of security clearances. For example, a military veteran or contractor employee with a SECRET clearance cannot seamlessly move into federal employment because SECRET investigative standards and the corresponding suitability employment standards (moderate risk) are different. This also means that in some cases there are delays in transfers because the investigative standards are different. It leads to redundant investigations. Questions may be raised why a moderate risk position from a suitability perspective should have higher investigative standards than those required for access to SECRET classified information. In the December 2005 memorandum, Mr. Johnson asked the Personnel Security Working Group to consider policy changes to ensure consistency between investigative requirements for federal employment and SECRET clearances. The Working Group considered this issue and found that there are varied and contradictory standards for clearance and suitability; and that the entire process was overdue for review. It should be emphasized that the problem originates with requirements set forth by executive branch agencies, and

not OPM, which is the provider. Consequently, the solution lies on executive branch-wide level.

- b. According to Mr. Schroeder, the Personnel Security Working Group and the Background Investigations Stakeholders Group have held joint meetings to identify issues and concerns on both sides of the process, suitability and clearance. In April 2007, Mr. Steven Hadley, (National Security Advisor) and Ms. Linda Springer (Director, OPM) issued a memorandum that formalized the joint efforts of the two groups and requested that Mr. Bill Leary (Chair, Policy Coordinating Committee for Records Access and Information Security) and Ms. Kathy Dillaman (Associate Director, Federal Investigative Services Division, OPM) examine the issue and lead the effort. Their selection was predicated on the fact that OPM has responsibility for suitability and the Policy Coordinating Committee chaired by the National Security Council (NSC) has a similar responsibility for the national security. Collaborative action is necessary to bring about solutions to the problem. The April 2007 memorandum asks that recommendations be presented by the end of June. The memorandum concludes that suitability standards and those for access to classified information have evolved to their present condition over the past 50 years in a series of changes, most of which were requested by customer agencies and were designed to address specific needs and populations. The current system is a make-shift amalgam of competing and, in some cases, conflicting requirements that inhibit reciprocity in the security and suitability worlds; encourage duplication of investigative and adjudicative actions; and create “a daunting maze” for suitability and security professionals who are attempting implementation on either side of this equation. The memorandum assigns Mr. Schroeder (Policy Coordinating Committee), Ms. Dillaman (OPM) and Mr. Czajkowski (OPM) as leads in creating a more simplified system that is “applicable to all persons including contractors” and provides “an end-to-end track on both sides of the equation in which each successively higher investigative and adjudicative tier builds on, but does not duplicate the tiers below it.”
- c. In summary, Mr. Schroeder stated that the Policy Coordinating Committee and OPM were selected to work together because of their unique responsibilities in setting investigative and adjudicative standards; and the inter-agency group that consists of primarily of Personnel Security Working Group and Background Investigations Stakeholders Group members is currently collaborating in identifying concerns and making recommendations, which will ultimately be framed by Ms. Dillaman and Mr. Leary for Mr. Hadley and Ms. Springer. Mr. Schroeder and Mr. Czajkowski affirmed that they are willing to receive input from Industry, to include meetings facilitated by ISOO.

5. Combined Industry Presentation – The combined Industry presentation was made by Mr. Musser.

- a. The presentation focused on three main areas: JPAS, the DSS Office of Designated Approving Authority (ODAA), and Personnel Security Processing.
 - b. JPAS – Industry has concerns regarding the operation of JPAS and the possibility of its failure. Although JPAS stability is troubling, there has been dialogue between Industry and DSS, and steps are being undertaken to address major issues. Major problems that must be addressed include: data integrity, training, and critical upgrades, to include electronic signatures and fingerprints.
 - c. ODAA - Delays in accreditation, which average 60 days, continue to affect operations and impact costs and performance on contracts. Similar to recent efforts regarding personnel security, industry wishes to form a partnership with DSS to assist this program so that accreditation times may be improved. This assistance could also take the form of obtaining additional funding and resources.
 - d. Personnel Security Processing – Mr. Musser stated that the work of the Industry, OPM, and DSS group, which was presented earlier, provides an example of the positive results that can be achieved through partnership and collaboration.
 - e. Additional issue – Mr. Musser stated introduced Mr. Timothy McQuiggan (Industry) to the NISPPAC membership in order to raise an issue which was not part of the formal Industry presentation. Mr. McQuiggan stated that on Friday, May 11, 2007, the Department of Homeland Security (DHS) notified The Boeing Company that employees already cleared who are submitted for suitability will be subject to suitability investigations while granted interim suitability. The interim suitability does not allow them access to Law Enforcement Sensitive or information technology systems. Mr. John Young (DHS) stated that he was unaware of the requirement and indicated his willingness to meet with Boeing Company representatives after the NISPPAC meeting.
6. The Chair stated his willingness to explore the possible contribution of the NISPPAC process to the areas discussed above and will consult with the NISP signatories and Industry representatives. Results will be reported back to the NISPPAC membership.

ACTION: The Chair of the NISPPAC will meet with the Director of DSS in order to assess how the NISPPAC can contribute to enhancements of the DSS Office of Designated Approving Authority (ODAA) process.

7. **DSS Update** – The update was provided by Ms. Watson.
- a. Budget – last year, DSS experienced budget difficulties and faced the possibility of short falls during the present year. DSS has carried out extensive analysis to identify the cause of the problem. Funding issues began when the Department of Defense transferred the investigative function from DSS to OPM. At that time, DSS and the Department did not conduct an assessment of the agency’s funding needs. Inadequate funding resulted in the short falls. Analysis revealed that the

- agency's programs were under funded by \$55 million on an annual basis. The result was last year's budgetary crisis. Approximately six weeks ago, DSS received \$16.2 million in reprogramming from the Department. There is another reprogramming action, which left OMB yesterday and is under consideration by Congress, for an additional \$25 million. Favorable congressional action is anticipated. The additional reprogramming will allow DSS to continue through the end of the fiscal year without any interruption of the agency's programs. However, these reprogrammings are not long-term solutions. DSS has been working extensively with the OSD Comptroller to determine the agency's budgetary requirements. DSS is striving to obtain more stable funding by the beginning of FY 2008 and will be working those issues through the Program Objectives Memorandum (POM) process for FY 2009 and beyond.
- b.** During the past year, the agency has taken a "long and hard look at itself" and identified challenges across the board. These challenges were identified to Mr. Robert Andrews, the Deputy Under Secretary of Defense (Counterintelligence and Security), and Mr. James Clapper, the Under Secretary of Defense for Intelligence. Messrs. Andrews and Clapper have been supportive and agree that DSS has identified its problems. DSS has created a "fix-it" plan and is now in the process of developing an implementation plan. These plans are due to Mr. Clapper by the beginning of June. Mr. Clapper expects implementation starting for FY 2008. Ms. Watson stated that not all implementation will be possible presently because of funding-dependencies. The agency is looking towards improvements to its system and workforce, as well as meeting other challenges across the board.
 - c.** Concerning Industrial Security, the first priority is the ODAA process. The agency realizes that the process needs improvement and looks forward to working collaboratively with Industry. Consistency and timeliness need to be improved. There has been some progress in these areas. More resources and personnel with the correct skill sets are needed. The second priority is the integration of the ODAA, Counterintelligence, and Special Access Programs into the overall Industrial Security Program. The DSS Counterintelligence element was integrated into Industrial Security several months ago. In this area, DSS has identified and is capable of meeting its challenges.
 - d.** JPAS – was never designed for present requirements. In addition to functionality issues, usage has increased 20% in just the past year with over 85,000 current users. There are problems with the stability of the system. DSS is presently attempting to address such issues with in-house resources, but is seeking more funding for JPAS and the system of the future, DISS. OMB has been pressuring DSS to upgrade JPAS in order to meet IRTPA goals at the expense of building DISS. Approximately eight weeks ago, DSS obtained reapportionment language from OMB that directed that all funding should be used on JPAS instead of DISS. However, both the JPAS upgrades and the building of DISS have to occur simultaneously. These are issues currently being worked with OMB. JPAS has

- been upgraded with the capability of transmitting releases electronically. When used properly, the system functions. Nevertheless, JPAS has not always been used properly, which has affected the system's stability. DSS has issued guidance to the community and requested cooperation.
- e. In response to a question from Mr. Pannoni regarding the development of DISS and leveraging of resources from OPM and DSS, Ms. Watson stated there is a complex acquisition framework required for DISS as a high value system. The first part of this framework is to conduct a study regarding system requirements. DSS has obtained funding to initiate the study which will examine the question of collaborating with partners. If DSS were fully funded for DISS (which is presently not the case), then a roll-out would be projected for 2010 or 2011.
- 8. NISP Signatories Update** – Mr. George Ladner (CIA) announced that Mr. Charles Phelan has replaced Mr. Robert Grimsland as Director of Security.
- 9. Proposed Amendment of the Bylaws** – Consistent with the Bylaws of the NISPPAC, after prior notification of all members before the present meeting, a motion was agreed unanimously by the membership to change the number of government representatives from 15 to 16 in order to permit membership by representatives of the Office of the Director of National Intelligence. The amended Bylaws will be forwarded to the membership and posted to the NISPPAC page on the ISOO website.
- 10. Closing Remarks and Adjournment** – The Chair expressed gratitude for the collaborative work and contributions of the NISPPAC membership.
- 11. Summary of Action Items:**
- a. The Federal Information Security Management Act (FISMA) Industry White Paper will be continued as an open action item. The paper will be submitted to the Office of Management and Budget (OMB) for the purpose of requesting more explicit implementation guidance vis-à-vis industry. The scope of the paper will be specific regarding the origin of FISMA-related issues, e.g., whether issues are resulting from agency FISMA implementation or being generated as a result of other agency activity such as new directives on the protection of sensitive acquisition-related information. FISMA problems will be defined and framed with as much precision as possible.
 - b. The Chair, on behalf of NISPPAC, will continue to explore options with the Defense Information Systems Agency (DISA) regarding the extension of SIPRNET access to industry partners, and report back to the NISPPAC membership.
 - c. ISOO Staff will solicit a formal response from the OMB (Ms. Carol Bales) on overarching issues and questions regarding HSPD-12 submitted previously by

Department of State and Department of Energy. The responses will be forwarded back to the NISPPAC membership. It was agreed that from an industry perspective, as a stand-alone issue, HSPD-12 is a closed action item.

- d.** Mr. Vincent Jarvie (Industry) will complete a review on the appropriateness of a suitability which was provided by OPM and is currently posted to the ISOO NISPPAC web-page. ISOO staff will facilitate any recommended changes with OPM.
- e.** DSS will provide feedback on the electronic attachment of releases by June 16th to the NISPPAC, and on options and alternatives regarding fingerprints, including the use of GSA service centers or other alternative sources (NOTE: an extension was subsequently granted for a June 30th suspense date).
- f.** Specific US Navy base access (I-9) issues should be forwarded directly to Mr. Sean Carney, Industry and Technical Security Program Manager, Office of the Chief of Naval Operations (NO9N2), Washington Navy Yard, Building 111, Washington, D.C. 20388-5380, email: sean.l.carney@navy.mil, telephone: (202) 433-8860, fax: (202) 433-8849.
- g.** Representatives of the Industry NISPPAC membership, OPM, and DSS will meet in order to analyze key data points that measure end-to-end clearance processing for industry. The work of the group will focus on data points associated with transmission of applications and cases between DSS and OPM. In addition, the group will produce projections on reducing pending cases to the end of the calendar year. Specific recommendations for process improvements should be reported back to the NISPPAC membership by June 30th. Recommendations should identify current and desired states as well as approaches, plans, and timelines for achieving results.
- h.** The Chair of the NISPPAC will meet with the Director of DSS in order to assess how the NISPPAC can contribute to enhancements of the DSS Office of Designated Approving Authority (ODAA) process.